

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 1690 - SB 1742

February 20, 2020

SUMMARY OF ORIGINAL BILL: Requires the Department of Correction (DOC) to pay a qualifying county an additional \$5 per day recidivism-reduction discount per eligible felon if certain criteria are met. Effective January 1, 2021.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$4,606,500/FY20-21
\$8,784,300/FY21-22 and Subsequent Years

Increase Local Revenue – \$4,140,600/FY20-21
\$8,281,100/FY21-22 and Subsequent Years

Increase Local Expenditures –
Up to \$4,140,600/FY20-21/Permissive
Up to \$8,281,100/FY21-22 and Subsequent Years/Permissive

Other Fiscal Impact- In future fiscal years, there will be a decrease in state incarceration expenditures resulting from programs provided at local jails to felons reducing recidivism. The timing and amount of any decrease is dependent upon multiple unknown factors and cannot be quantified with reasonable certainty.

SUMMARY OF AMENDMENT (014459): Deletes and replaces all language after the enacting clause such that the only substantive change is to specify that eligible program participants are qualified for such additional payment.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On February 10, 2020, a fiscal memorandum was issued estimating a fiscal impact as follows:

Unchanged from the original fiscal note.

Based on additional information provided by the DOC and further analysis, the estimated fiscal impact has been corrected as follows:

(CORRECTED)

**Increase State Expenditures – \$1,163,000/FY20-21
\$2,111,600/FY21-22 and Subsequent Years**

**Increase Local Revenue – \$930,000/FY20-21
\$1,860,000/FY21-22 and Subsequent Years**

**Increase Local Expenditures –
Up to \$930,000/FY20-21/Permissive
Up to \$1,860,000/FY21-22 and Subsequent Years/Permissive**

Other Fiscal Impact - In future fiscal years, there will be a decrease in state incarceration expenditures resulting from programs provided at local jails to felons reducing recidivism. The timing and amount of any decrease is dependent upon multiple unknown factors and cannot be quantified with reasonable certainty.

Corrected Assumptions for the bill as amended:

Program and Analysis Parameters

- The proposed legislation applies to counties with a population less than 300,000 according to the 2010 federal census that pursuant to a state contract house convicted felons in county jail facilities and provide DOC approved evidence-based programs to reduce recidivism rates among convicted felons.
- According to data from the 2010 federal census, counties exceeding 300,000 in population are:
 - Davidson
 - Hamilton
 - Knox
 - Shelby
- The proposed legislation requires the stipend be set at \$5 per day per inmate participating in a qualifying program, and requires DOC to compensate the county for each program in which the felon is enrolled.
- In order to maintain such stipend, the proposed legislation requires eligible counties to provide documentation that at least 70 percent of felons who enroll in such programs go on to complete them in a timely manner as determined by DOC.
- The proposed legislation defines an eligible program participant as a locally-sentenced felon or state-sentenced felon who will be incarcerated for a period of time that will allow for completion of the program before release from incarceration or expiration of sentence. Such participant is prohibited from transportation to serve a sentence in state prison in the custody of the DOC after successful completion of the program.
- The proposed legislation is effective January 1, 2021 which is approximately 50 percent of FY20-21. As such, this analysis estimates 50 percent of the fiscal year impact will occur in FY20-21 and 100 percent will occur in FY21-22 and subsequent fiscal years.

Program Participation

- Any action taken by a county to contract with the state to house state convicted felons and participate in offering such programs is permissive.
- Based on information provided by the DOC, in FY18-19 an average of 1,358 locally-sentenced felons were housed in local jails in counties with a population of less than 300,000.
- This analysis estimates 75 percent of such inmates will reside in a participating county and take one eligible year-long program each year.
- This analysis assumes such programs will comply with all DOC requirements.
- The total one-time increase in state expenditures in FY20-21 resulting from the proposed legislation is estimated to be \$930,018 $\{[(1,358 \times 75\%) \times \$5 \times 365.25] \times 50\% \}$.
- The recurring increase in state expenditures in FY21-22 and subsequent fiscal years resulting from the proposed legislation is estimated to be \$1,860,036 $[(1,358 \times 75\%) \times \$5 \times 365.25]$.
- The proposed legislation will result in a corresponding one-time increase in local revenue in FY20-21 estimated to be \$930,018 and a recurring increase of local revenue in FY21-22 and subsequent fiscal years estimated to be \$1,860,036.
- Some counties will be incentivized to establish such programs, while counties with existing programs may choose to invest additional funds into such programs. The exact extent to which local revenue will be invested into such programs is unknown; however, the permissive one-time increase in local expenditures in FY20-21 estimated to be up to \$930,018 and a permissive recurring increase in local expenditures in FY21-22 and subsequent fiscal years estimated to be up to \$1,860,036 to provide materials, training, and staff necessary to offer such programming and ensure DOC compliance.

DOC Oversight

- The proposed legislation requires the DOC to determine the eligibility of programs that are evidence-based and matched to the risk needs of enrolled offenders and to ensure at least 70 percent of enrollees in such programs go on to complete them in a timely manner.
- In order to accomplish the required oversight, DOC will require additional personnel.
- The DOC will require three Correctional Counselor 1 position for quality assurance of programs.
- The recurring salary and benefits for each of the three positions is estimated to be \$45,313 (\$33,228 salary + \$12,085 benefits).
- The DOC will require one Correction Program Manager 1 positions for program oversight.
- The recurring salary and benefits for the position is estimated to be \$47,244 (\$34,884 salary + \$12,360 benefits).
- Additionally, the four (3 +1) positions will require recurring funding for travel, supplies, user licenses, training, etc., estimated to be \$17,100 per year.
- The one-time increase in state expenditures in FY20-21 for of the four positions is estimated to be \$107,200 $[(\$1,800 \text{ computer} + \$25,000 \text{ vehicle}) \times 4]$.

State Impact

- The total increase in state expenditures in FY20-21 resulting from the proposed legislation is estimated to be \$1,163,010 ($\$930,018 + \{ [(\$45,313 \times 3) + \$47,244 + (\$17,100 \times 4)] \times 50\% \} + \$107,200$).
- The total increase in state expenditures in FY21-22 and subsequent fiscal years resulting from the proposed legislation is estimated to be \$2,111,619 [$\$1,860,036 + (\$45,313 \times 3) + \$47,244 + (\$17,100 \times 4)$].
- This analysis assumes the DOC will select and approve evidence-based programs that will result in a reduction in recidivism rates among convicted felons.
- The proposed legislation is effective January 1, 2021; therefore, any felon participating in programs outlined in the proposed legislation will complete them at least one year from that time and be released from the local facility sometime after completing such programs.
- This analysis assumes the proposed legislation will reduce recidivism and result in a decrease in state incarceration expenditures in future fiscal years; however, due to multiple unknown factors, including: the timing of any release of any participating felon, the program offerings, and the timing of any offense and sentence avoided through participation in programs, such decrease cannot be quantified with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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